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From: Commander, Naval Supply Systems Command

Subj: AUTHORITY TO AWARD SEVERABLE SERVICE CONTRACTS THAT
CROSS FISCAL YEARS

Encl: (1) ASN (RD&A) memo of 18 May 1998

1. Enclosure (1) provides information regarding authority to award severable service contracts that cross fiscal years. Section 801 of the FY 1998 Defense Authorization Act revised 10 U.S.C. 2410a to provide that the Secretary of Defense and the Secretaries of the Military Departments may now enter into contracts for procurement of severable services for a period that begins in one fiscal year and ends in the next fiscal year if (without regard to any option to extend the period of the contract) the contract period does not exceed one year. Funds made available for one fiscal year may be obligated for the total amount of the contract.

2. Appropriate revisions to the FAR are in process. However, you may begin using the new statutory authority immediately.

3. As discussed in enclosure (1), please ensure that your activities have appropriate mechanisms in place for capturing and reporting information on awards made using the Section 801 authority.

DAVID H. SCHUUR
By direction

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